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COMPREHENSIVE REVIEW OF THE WHOLE
QUESTION OF PEACE-KEEPING
OPERATIONS IN ALL THEIR ASPECTS

SECURITY COUNCIL
Forty-eighth year

Security of United Nations operations

Report of the Secretary-General

I. INTRODUCTION

1. On 31 March 1993, the President of the Security Council made a statement on behalf of the Council (S/25493) in the context of its examination of my report "An Agenda for Peace" (A/47/277-S/24111). In that statement the Council addressed the question of the safety of United Nations forces and personnel deployed in conditions of strife in connection with a Security Council mandate. The Council also requested me to report as soon as possible on the existing arrangements for the protection of United Nations forces and personnel and their adequacy, taking into account, inter alia, relevant multilateral instruments and status-of-forces agreements concluded between the United Nations and host countries, as well as comments from Member States, and to make such recommendations as I considered appropriate for enhancing the safety and security of United Nations forces and personnel. The present report is submitted in response to that request by the Council.

2. At its forty-seventh session, the General Assembly adopted resolution 47/72 of 14 December 1992, which deals with the protection of peace-keeping personnel. The present report is therefore being circulated to the General Assembly for information. I would also draw the attention of Member States to General Assembly resolution 47/120 of 18 December 1992, which notes the mutually supportive aspects of humanitarian and peace-keeping operations and calls for strengthened capacity and coordination in that respect. Finally, the recent report of the Special Committee on Peace-keeping Operations (A/48/173) contains pertinent recommendations with regard to security.

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* A/48/150 and Corr.1.

3. As is the case with other activities carried out by organizations of the United Nations system, United Nations forces and other operations mandated by the Security Council are normally deployed only with the consent of the host Government and, as appropriate, with undertakings of cooperation by other parties. While United Nations military forces have means of protection and are authorized to use their weapons in self-defence, they often include sizeable civilian components or operate side by side with civilian United Nations personnel who are unarmed, as are United Nations military observers. In short, many categories of United Nations personnel are at risk. It is thus not practical nor desirable to make a categorical distinction between personnel acting under a mandate of the Security Council and others acting under other mandates. Thus, the issues raised in the present report apply, mutatis mutandis, to all categories of personnel associated with the work of the United Nations.

II. THE PRESENT SECURITY SYSTEM

4. The primary responsibility for the safety of United Nations personnel and their dependants rests with the host Government. This responsibility flows from every Government's normal and inherent function of maintaining order and protecting persons and property within its jurisdiction. Under Article 105, paragraph 1, of the Charter, the United Nations is entitled to enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfilment of its purposes. The Convention on the Privileges and Immunities of the United Nations, adopted by the General Assembly in its resolution 22 (I) A of 13 February 1946, contains detailed provisions on the privileges and immunities of the Organization, representatives of Member States, officials of the United Nations and experts on mission for the United Nations. The Convention on the Privileges and Immunities of the Specialized Agencies, approved by the General Assembly in its resolution 179 (II) of 21 November 1947, covers similar matters with regard to the specialized agencies.

5. The risk to United Nations personnel is particularly acute in times of civil disorder and domestic strife when the capacity of host Governments to provide protection may be greatly diminished. In order better to meet such crises, a set of rules and procedures was instituted in 1980 on an inter-agency basis and revised in 1991. For security reasons, the detailed procedures are kept confidential.

6. Under these arrangements, the responsibility for the coordination of all security matters rests with the Secretary-General, who has appointed a United Nations Security Coordinator to act on his behalf. At present, the Security Coordinator is the Under-Secretary-General for Administration and Management. Each organization of the United Nations system has appointed an official responsible for liaison with the Security Coordinator. In the field, a senior United Nations official is appointed in each country to serve as designated official for security. This person has overall and special responsibility for the security and protection of personnel of the organization. In that regard, he/she is directly accountable to the Secretary-General. In many countries, the resident representative of the United Nations Development Programme (UNDP) is given this responsibility. Where there are other, larger United Nations

offices, such as regional commissions or peace-keeping operations, the officer in charge of the office or operation is appointed designated official.

7. The designated official is advised by a security management team, and usually appoints area coordinators to deal with security matters away from the capital city. A field security officer may be assigned to assist the designated official. In addition, wardens are appointed at the local level to ensure implementation of security measures.

8. The primary management tool for security preparedness at any duty station is the country-specific security plan. Written in conformity with established procedures and subject to the approval of the Security Coordinator, it defines the responsibilities of each person at the duty station, the actions to be taken and the sequence to be followed. The plan is updated as necessary to reflect changing conditions and it may contain several options for various contingencies.

9. Under the current arrangements, the Organization's response to threats to its personnel's safety has been divided into five phases, as follows:

Phase One is precautionary; travel to the area requires prior clearance by the designated official;

In Phase Two all personnel and their dependants are restricted to their homes unless otherwise instructed. All movement is severely restricted and has to be specifically authorized by the designated official;

In Phase Three the following measures may be taken: concentration of personnel and their dependants at sites that are deemed safe; relocation to other parts of the country; relocation of dependants and non-essential personnel outside the country;

In Phase Four programmes are suspended and personnel not directly concerned with emergency or humanitarian relief operations or security matters are evacuated;

In Phase Five all personnel are evacuated except those required for Security Council-mandated activities related to the maintenance of international peace and security.

Phases One and Two may be declared by the designated official. The subsequent phases and measures will normally only be implemented after authorization has been obtained from the Secretary-General.

10. The above system applies, with some variation, to a broad range of individuals connected with the work of the Organization, including:

(a) All persons employed by the Organization and their recognized dependants, except for those persons who are both locally recruited and paid by the hour;

(b) Consultants, officials or experts, including transient personnel on mission for the organizations of the United Nations system;

(c) United Nations volunteers and their recognized dependants as well as United Nations fellows.

In addition to the above, the Organization may, to the extent possible, lend assistance on a reimbursable basis to other individuals. These may include persons attending a meeting sponsored by the Organization, those international personnel working cooperatively with the Organization as members of non-governmental or other voluntary organizations, with subcontracted projects, or with certain bilateral technical assistance groups with which the Organization has entered into a special agreement.

11. Security arrangements are intended to cover all personnel, except that locally recruited personnel and their dependants are not normally evacuated unless their security is endangered as a direct consequence of their employment by an organization of the United Nations.

12. It is apparent that the above system, which is oriented towards civilian personnel engaged in normal peacetime activity, cannot accommodate peace-keeping operations, which are often deployed in situations where other activities have to be suspended. Therefore, peace-keeping personnel remain under the exclusive jurisdiction of their chief of mission. However, there is considerable overlap and, as noted above, the chief of a peace-keeping mission may be appointed designated official. When this is not the case, peace-keeping operations maintain close coordination and cooperation with the designated official and will normally take all necessary action in the various phases listed above to the extent that it is compatible with their continued functioning. Naturally, all peace-keeping operations have contingency plans for the suspension of operations and evacuation, should this become unavoidable.

13. Much like other United Nations personnel, peace-keepers have generally been able to rely for their safety on respect for their international status and for their objective and impartial role. This has allowed unarmed military observers, to mention one example, to weather the war on the Golan Heights in October 1973 in shelter at their observation posts, as Israeli and Syrian forces were fighting pitched battles nearby.

14. Existing arrangements for the protection of United Nations forces and personnel assigned to serve in a peace-keeping operation are reflected in the model status-of-forces agreement annexed to the report of the Secretary-General (A/45/594). This model agreement embodies relevant principles of international law such as those provided for in the Convention on the Privileges and Immunities of the United Nations and the customary principles and practices applicable to United Nations peace-keeping operations.

15. Status-of-forces agreements provide for the necessary privileges and immunities, rights and facilities of United Nations operations and their civilian and military personnel. It is relevant to note that, under such agreements, the Government of a country hosting a peace-keeping operation undertakes to respect the exclusively international nature of that operation and to ensure the prosecution of persons subject to its criminal jurisdiction who are accused of acts in relation to the United Nations peace-keeping operation and its personnel, which, if committed in relation to the forces of the Government, would have rendered such acts liable to prosecution.

16. The security measures instituted by a United Nations peace-keeping operation depend greatly on the analysis of the possible risks and on the means available to the operation. In the case of some long-established operations, the direct danger to United Nations personnel is considered to be quite low. Accordingly, while contingency plans for emergencies are in place and are the object of regular exercises, security concerns play a lesser role in daily activities. For example, the mission may have only a minimum of vehicles with protective armour or none at all. In other cases, where frequent exchanges of fire take place in the area of operation and the situation can deteriorate very quickly, heavy emphasis is placed on protective shelters at all positions and on protective armour for road movement. In addition, vehicle movement is monitored by radio and, depending on the situation, movement may be limited to convoys, with armed escort if necessary. Such means of protection are not normally available to non-peace-keeping operations.

17. Peace-keeping forces are armed and authorized to use their weapons in self-defence. They have been compelled from time to time to exercise that right, and have inflicted casualties doing so. However, as their effective functioning is based on cooperation and consent, they have always shown the greatest restraint in order to avoid being drawn into a cycle of violence with any one party. Instead, they have sought to contain whatever disputes have arisen and to resolve them politically so as to preserve their role as a third party that is above the conflict.

III. NEW ISSUES

18. Developments that have taken place in the last year or so have highlighted certain gaps in the existing system as well as the need to strengthen it in certain areas. The main new development concerns the kind of conditions in which United Nations personnel are expected to operate and the level of risk considered acceptable. In fulfilment of the responsibilities entrusted to them by Member States, the personnel of the organizations of the United Nations system have increasingly been required to perform their functions in extremely hazardous conditions where decisions regarding their safety assume an immediacy not normally encountered in the past. This is particularly true in areas where government authority is not adequately exercised or is lacking altogether. Whereas in the past personnel were assured protection by virtue of their association with the work of the United Nations, this is no longer the case. On the contrary, personnel are more and more often at risk because of such association. In addition, actions by the United Nations in one part of the globe can generate threats to United Nations personnel in another.

19. As a result, casualties have mounted. In 1992, one staff member on average was killed every month; in 1993 the rate has so far been approximately one every two weeks. To date it has not been possible to identify and hold accountable those responsible for those deaths. The Organization has no statistics of casualties among the personnel of non-governmental organizations, but they, too, are reported to have increased. Military personnel suffered 51 fatal casualties in 1992 and 97 in the first half of 1993.

20. Another development, which has brought to light gaps in the existing security system, is the establishment of multidimensional operations involving

military operations, humanitarian assistance, electoral assistance, human rights monitoring and development projects. In order to achieve a coherent approach to the security of those operations, a number of practical issues regarding differing priorities between the various components have to be resolved in each case.

21. Frequently, it is the personnel providing humanitarian relief who are already operating in an area after there has been a breakdown of law and order even before United Nations forces are deployed, if they are deployed at all. Moreover, the urgency of humanitarian needs often necessitates the deployment of personnel for the implementation of relief programmes before agreement on a precise legal framework governing the operation can be obtained.

22. Situations of urgent humanitarian need often invite great insecurity for those who would provide assistance. Hijacking of goods and equipment, with its serious implications for the safety of humanitarian personnel, is far too frequent. The United Nations has sought to provide a degree of protection through the local hiring of private guards. However, this has not always been successful and has sometimes compounded the problem.

23. Another means of providing relative protection for United Nations activities is the deployment of United Nations guards with side-arms, as in Iraq. The guards contingent there provides valuable support services in escorting relief convoys and humanitarian personnel, and in guarding warehouses, offices and relief distribution centres. It also secures telecommunications facilities between the various duty stations. This notwithstanding, the deployment of United Nations guards has its own limitations.

24. The United Nations has come to rely to an unprecedented extent on personnel who are not staff of the Organization. This is true not only of the tens of thousands of soldiers who serve as members of national contingents placed under United Nations command by Member States, but also of an increasing number of civilian personnel serving with non-governmental organizations having special arrangements with the organizations or personnel of commercial enterprises under contract with the United Nations. They run the same or similar risks as the Organization's staff and therefore require protection, too. While, for example, the status of members of national contingents provided by Member States is covered by status-of-forces agreements, that of the civilian personnel provided by contractors and non-governmental organizations associated with a particular operation is not covered either by status-of-forces agreements or any other international instruments.

25. To facilitate access to victims of humanitarian emergencies, the United Nations normally enters into arrangements with non-governmental organizations as implementing partners, who provide resources (e.g. personnel, equipment, distribution networks) enhancing the effectiveness of relief programmes. The non-governmental organizations may be international in character, or may be locally based. These implementing partners are an integral part of the Organization's capacity to implement its programmes and require protection. In this connection, more precise arrangements will need to be put in place to govern relations with implementing partners and, in particular, their obligation with regard to security regulations. Similar arrangements will need to be made with commercial contractors.

26. Finally, a new feature is the use by the Security Council of its enforcement powers under Chapter VII of the Charter of the United Nations. This has led to the establishment of United Nations operations which are not based on consent and cooperation and may face outright opposition.

27. In view of these developments, a review was undertaken recently by expert consultants regarding the manner in which the overall security system of the United Nations is managed. This and other aspects of the question were studied further in connection with the preparation of the present report. The result of those deliberations is a set of measures which I propose to institute or which I recommend for consideration by Member States.

IV. PROPOSALS

28. Regarding the overall security of the personnel of the United Nations system of organizations, a fresh effort will be made to achieve the degree of integration and accountability necessary to ensure effectiveness. In particular, security matters will become an integral part of the planning for new operations. In this connection priority will be given to the improvement and standardization of communications and to the training of staff in security matters. Expert staff will be recruited to assist the Security Coordinator at United Nations Headquarters and the designated officials in the field. Arrangements will be made, through the situation room now being established by the Department of Peace-keeping Operations, to ensure that security staff can be reached at all times. Finally, the Security Coordinator will be reviewing regulations to ensure that measures already in place for the security of local staff are adequate, as well as to include categories of personnel who are not covered under the existing arrangements, although they work on behalf of the Organization and share the same risks as United Nations staff.

29. The measures outlined above will entail additional expenditures and it would be unrealistic to expect that these can be met from existing resources. They are, however, essential for the proper discharge of the Organization's responsibility for the safety of its personnel. I trust that Member States will provide me with the means to do what is necessary in this regard.

30. Further review will be necessary in order to develop more fully strategies for resolving some of these issues. One area of concern is the need for information about and analysis of possible risks, and for technical expertise, especially with regard to air safety, criminal investigation, forensics, ballistics and pathology. It is my intention to ask Member States for assistance in these fields as and when needed.

31. With regard to United Nations peace-keeping operations, some of the contributing Governments with the means to do so have made arrangements to support and, if necessary, to extricate their contingents, should their position be judged to have become untenable. Such concerns are certainly understandable, given the danger to which United Nations personnel are exposed in some cases. However, a United Nations operation must function in an integrated manner and any security precautions must cover all its personnel and not just one or two contingents. Moreover, any decision on a matter of such importance must rest with the United Nations, that is with the Secretary-General and the Security

Council. I shall be initiating a dialogue with Member States on this matter. The Security Council may also wish to consider it.

32. In the case of an enforcement operation under Chapter VII of the Charter, it is only prudent, in accordance with normal military practice, to provide for reserves so that the operation can be quickly reinforced if required. Such reserves need not necessarily be an integral part of the operation. For example, the Quick Reaction Force supporting the United Nations Operation in Somalia (UNOSOM II) is not. Other arrangements are conceivable. Again, I intend to pursue this matter in discussions with Member States. The Security Council may also wish to consider it in its deliberations.

33. From the legal point of view, both long-term and short-term strategies could be considered to enhance security and safety of personnel involved in United Nations peace-keeping and other operations.

34. In the long term, a new international instrument could be elaborated in order to codify and further develop international law relating to the security and safety of United Nations forces and personnel. The adoption of such a new instrument, as suggested by some delegations (S/25667), would make possible the consolidation in a single document of the set of principles and obligations contained in current multilateral and bilateral treaties, as well as provide an opportunity to codify and further develop customary international law as reflected in the recent practice of the United Nations and Member States. In drawing up such an agreement, consideration could be given to extending certain of the privileges and immunities accorded at present to the Organization and its personnel to civilian contractors, non-governmental organizations and their personnel who are engaged in United Nations operations through contractual or other arrangements. An international instrument of this kind could be negotiated in one of the Main Committees of the General Assembly and upon its adoption be open for signature by Member States. It should be noted, however, that the conclusion of such an instrument must be viewed as a long-term strategy, because its entry into force would take some time, and its effectiveness would depend on the number of States accepting to be bound by its provisions.

35. As issues relating to the security and safety of United Nations personnel require more immediate action, a short-term strategy should also be considered. First of all, it would be helpful if the Security Council, when deciding to set up a new operation, considered including in the relevant resolution the necessary conditions relating to security and safety under which such an operation is to be deployed. Such conditions should, depending on the nature of a particular operation, include, inter alia, the following:

(a) The application to the operation of the provisions of the Convention on the Privileges and Immunities of the United Nations;

(b) Confirmation that the Government of the country hosting the operation is obliged to take all necessary measures to ensure the security and safety of the United Nations operation and its personnel;

(c) A clarification to the effect that the security and safety arrangements undertaken by the host Government should be extended to

contractors, non-governmental organizations and their personnel who are engaged in United Nations operations;

(d) A timetable for the conclusion of an agreement on the status of the operation in the host country/countries;

(e) A statement reaffirming that attacks and use of force against United Nations personnel will be considered interference with the exercise of the responsibilities of the Security Council under the respective provisions of the Charter of the United Nations and may require the Council to consider measures it deems appropriate;

(f) A statement indicating that if the authorities of the host State fail to meet their obligations with regard to the safety and security of the United Nations operation and its personnel, the Council may consider measures to ensure such security and safety.

36. Another measure that could be taken in the short term, pending the conclusion of a new international instrument, would be the adoption by the General Assembly of a declaration aimed at drawing attention to the critical importance of the security and safety of United Nations forces and personnel, thereby increasing and strengthening international awareness and commitment.

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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION

Developments pertaining to the implementation of the recommendations of the report of the South Commission with special emphasis on South-South economic cooperation

Report of the Secretary-General

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* A/48/150 and Corr.1.

COMMON ABBREVIATIONS

ALADI	Latin American Integration Association
AMU	Arab Maghreb Union
ASEAN	Association of South-East Asian Nations
CACM	Central American Common Market
CARICOM	Caribbean Community
CEPGL	Economic Community of the Great Lakes Countries
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECDC	Economic cooperation among developing countries
ECLAC	Economic Commission for Latin America and the Caribbean
ECO	Economic Cooperation Organization
ECOWAS	Economic Community of West African States
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
GCC	Cooperation Council for the Arab States of the Gulf
MERCOSUR	Southern Cone Common Market
MRU	Mano River Union
NAM	Non-Aligned Movement
OAU	Organization of African Unity
OIC	Organization of the Islamic Conference
PTA	Preferential Trade Area for Eastern and Southern Africa
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
TCDC	Technical cooperation among developing countries
UDEAC	Central African Customs and Economic Union
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
WFP	World Food Programme

MEMBERSHIP OF SELECTED REGIONAL AND SUBREGIONAL GROUPINGS OF DEVELOPING COUNTRIES

ALADI	Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela
AMU	Algeria, Libyan Arab Jamahiriya, Mauritania, Morocco, Tunisia
ANDEAN GROUP	Bolivia, Colombia, Ecuador, Peru, Venezuela
ASEAN	Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand
BANGKOK AGREEMENT	Bangladesh, India, Lao People's Democratic Republic, Republic of Korea, Sri Lanka
CACM	Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua
CARICOM	Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago
CEPGL	Burundi, Rwanda, Zaire
ECCAS	Burundi, Cameroon, Central African Republic, Chad, Congo, Gabon, Equatorial Guinea, Rwanda, Sao Tome and Principe, Zaire
ECO	Iran (Islamic Republic of), Pakistan, Turkey (original members); and Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan
ECOWAS	Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo
GCC	Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates
MERCOSUR	Argentina, Brazil, Paraguay, Uruguay
MRU	Guinea, Liberia, Sierra Leone
PTA	Angola, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Somalia, Swaziland, Uganda, United Republic of Tanzania, Zambia, Zimbabwe
SAARC	Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka
SADC	Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, United Republic of Tanzania, Zambia, Zimbabwe
UDEAC	Cameroon, Central African Republic, Chad, Congo, Gabon, Equatorial Guinea

I. INTRODUCTION AND SUMMARY

1. The present report has been prepared pursuant to General Assembly resolution 46/155 of 19 December 1991 in which the Assembly, inter alia, urged the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the regional commissions and other developmental bodies of the United Nations to support developing countries in implementing the relevant recommendations of the report of the South Commission, 1/ with special emphasis on economic and technical cooperation among developing countries (para. 3); invited UNCTAD, UNDP and the regional commissions to follow the implementation of those recommendations by the parties concerned (para. 4); and requested the Secretary-General to monitor the implementation of that resolution and to report thereon to the General Assembly at its forty-eighth session (para. 5).

2. Furthermore, this report, in response to the operational provisions of resolution 46/155, focuses on the advancement of South-South cooperation, one of the three principal tasks of the South as set forth in the report of the South Commission (see box 1). In connection with South-South cooperation, the report of the South Commission identified the following areas as crucial for the mobilization of the South: (a) building of South consciousness; (b) strengthening of educational cooperation; (c) strengthening of cooperation in the functional areas of finance, trade, industry and business, services, transport and infrastructure, food security, science and technology, environment, information and communication, and people-to-people contacts; (d) revitalizing of regional and subregional economic cooperation and integration arrangements; and (e) improving of South-South cooperation and organization at the global level.

3. Within the broad areas mentioned in the paragraph above, a few selected activities that could have catalytic effects and help put South-South cooperation on a more secure path for the future were incorporated into a programme of priority action for South-South cooperation. 2/ The developments related to the implementation of the recommendations of that programme of priority action are appraised in the following nine sections of this report. Those developments involved actions undertaken in the last three years by developing countries and their institutions, as well as the support measures provided by the United Nations system. Support from the United Nations is organized on the basis of sectors, by sector-specific bodies; of regions by the regional commissions; and of broad subject areas such as trade, by other development bodies. Also, UNDP, as the major funding organization of the United Nations, plays a crucial role in the technical assistance provided by all the United Nations development bodies. 3/

4. Section II of this report considers South consciousness, including the reflection of South-South cooperation priorities in national development plans and the establishment of national follow-up mechanisms. Section III examines progress in financial cooperation in the areas of clearing, payments and credit arrangements, the proposed debtors forum and the South Bank. Section IV reviews progress within the Global System of Trade Preferences (GSTP) among developing countries, including the launching of the second round of GSTP negotiations and a summary of South-South trade flows. The discussion in section V is concerned

with cooperation among developing country producers of agricultural commodities within the context of the renewal of global commodity agreements. The discussion in section VI is concerned with cooperation among enterprises in fostering contacts and encouraging businesses. Section VII appraises cooperation in promoting food security. Section VIII considers cooperation in the fields of education, science and technology. Section IX appraises the recently resumed dynamism of regional and subregional cooperation and integration processes in the South. Finally, section X considers the call for improved cooperation and organization of the South at the global level, including regular consultations of heads of States.

Box 1. Challenge to the South: main themes

1. Self-reliant and people-centred development: the national dimension:

(a) Recognition that developing countries will have to rely increasingly on their own exertions, both individual and collective;

(b) Giving of priority to the cultivation of a participatory culture in which development takes place from the bottom up.

2. Mobilizing the South: towards greater cooperation among developing countries:

(a) Stress on the need for closer and more diversified economic linkages among developing countries;

(b) Stress also on the need for a more organized South that could better contribute to the process of rendering international economic relations more responsive to development needs.

3. North-South relations and the management of the international system: stress on the fact that the development performance of the South could be enhanced by, and is indeed dependent on, a more favourable international economic climate.

5. To sum up this overview, one of the key messages of the report of the South Commission concerned the importance of and potential for South-South cooperation and collective self-reliance. At the time of the publication of the report of the South Commission, this exhortation to achieve greater South-South cooperation was greeted by a certain degree of scepticism; today, however, the situation is changing, and an increasing number of practical initiatives launched by developing countries testify to such a change. At the sectoral level, where Governments of the South see the practical value and need for joint cooperation, South-South initiatives have been vigorously promoted, for example, in the sector of food security. A more significant development is the resumed dynamism of regional and subregional cooperation and integration processes in Africa, Asia and Latin America and the Caribbean. These changes also present a case for the provision, by the United Nations, multilateral financial institutions and developed countries, of significant assistance to the

South-South cooperation process. 4/ The United Nations, for its part, has provided significant assistance to that process at the sectoral, regional and thematic levels. Such support needs to be monitored and analysed on a comprehensive and regular basis by the General Assembly, and the present report represents a start in this direction.

II. BUILDING OF SOUTH CONSCIOUSNESS

South Commission recommendations

> Each developing country should reflect in its development plans and national policies an explicit commitment to South-South cooperation. It should give to one government ministry or department responsibility for coordinating action within the country arising from the commitment to South-South cooperation. In addition, each country should set up a national committee to advise the Government, to mobilize public opinion in support of South-South cooperation, and to promote people-to-people contacts in the South.

Implementation

6. The responsibility for the building of South consciousness rests with Governments in the South. It depends largely on strong political commitment, policies and specific actions at the national level. Each country can effectively engage in South-South cooperation when it identifies priority sectors and determines its capacities and needs with respect to offering and receiving services, expertise and facilities. These need to be reflected in national development plans if they are to gain attention and ensure commitment of the implementing government institutions. In addition, the existence of appropriate and effective institutional arrangements and mechanisms at the national level is necessary for the purpose of working out in a coherent and consistent manner how the development of one country can be linked with that of other partner countries in South-South initiatives. This is particularly relevant for the present context in terms of which many developing countries are implementing national stabilization and structural adjustments programmes. The impact of such programmes on neighbouring developing countries, especially other partners sharing similar South-South cooperation programmes, needs to be taken into account.

7. In this regard, within the framework of the Summit-Level Group for South-South Consultation and Cooperation (Group of 15), Malaysia has proposed the formation of an expert group for Exchange of information on national economic policies of member countries (EINEP) to assist those countries in development planning and economic management through the modality of technical cooperation among developing countries (TCDC). Malaysia also offered to host the first meeting of EINEP in 1993. Regarding TCDC, proposed Group of 15 projects included the formulation of a Plan of Action on TCDC, the convening by Egypt of an expert group meeting on TCDC in 1993, and the organization by Brazil of an expert group meeting on instruments and mechanisms of joint activities of TCDC. 5/ Thus TCDC is being increasingly emphasized by developing countries as an important modality for enhancing South-South cooperation.

8. However, most countries in the South do not have an explicit policy on their participation in and use of the South-South modality. Some of them, mainly those that are members of regional or subregional cooperation arrangements, have designated/established national focal points and also sectoral focal points in such sectors as health, agriculture, the environment and TCDC. However, while some countries' focal points are quite active and well developed, in many cases national focal points have not been established at a level in the government structure that would enable them to provide leadership for and effectively catalyse South-South activities. In addition, many of these follow-up mechanisms have tended to be understaffed and lacking in basic administrative facilities. Some countries such as Senegal have attempted to overcome such difficulties by establishing full-fledged ministries for regional cooperation (and broader South-South issues). Their experience in promoting South-South cooperation may provide useful insights into this area.

9. United Nations organizations have assisted developing countries in promoting awareness about the South. UNDP, for example, financed the purchase of 2,000 copies of the report of the South Commission and had them distributed through its field offices to Governments and institutions of developing countries. (Similar activities were undertaken by the South Centre, whose primary task was to diffuse the report of the South Commission in order to promote its recommendations (see section X).) UNDP also supported, in the past two years, four regional meetings of TCDC national focal points which enabled focal points to share experiences, establish contacts, be apprised of current developments and receive information about successful TCDC experiences. In UNCTAD, as a direct result of new mandates provided at its eighth session held in Cartagena de Indias, Colombia, from 8 to 25 February 1992, the exchange of national experiences among countries in addressing various development problems including those relating to South-South cooperation was designated as a standard feature of all major intergovernmental discussions. As regards UNCTAD in general, economic cooperation among developing countries (ECDC) has always been central to its work. At the eighth session of UNCTAD, member States recognized the need to revitalize and strengthen ECDC. The final document adopted by the Conference, the Cartagena Commitment, 6/ also emphasized the important role that the ECDC process could play in efforts to promote economic growth in developing countries, thus providing added impetus to UNCTAD's work in this area.

III. FINANCIAL COOPERATION

South Commission recommendations

(a) Priority attention should be given to the strengthening of regional and subregional clearing and payments arrangements as well as export credit facilities. A coordinated stand of developing countries in the multilateral financial institutions and regional banks in order to obtain their support for these arrangements is highly advisable. At the same time, ways and means should be sought whereby those institutions and banks could play a more active role in financially supporting trade and other forms of South-South cooperation;

(b) The establishment of a debtors' forum, as proposed in the South Commission's statement on debt of March 1988, remains urgent;

(c) The proposal to establish a South Bank should be implemented. A start should be made with a narrower range of functions than was originally planned. A broad group of developing countries whose association with the project would give it international credibility should take the initiative in establishing the bank, but its membership should be open to all developing countries.

Implementation

10. Regarding subregional payments and clearing operations, cooperation has continued on the basis of previous existing instruments and institutions. These are the Asian Clearing Union, the Central American Clearing House, the Clearing House of the Economic Community of Central African States (ECCAS), the Reciprocal Payments and Credit Agreement of the Latin American Integration Association (ALADI), the Preferential Trade Area (PTA) Clearing House of Eastern and Southern African States, and the West African Clearing House. In addition to the subregional arrangements, under the auspices of the Group of 15, Bank Negara Malaysia has signed bilateral payments arrangements with the central banks of 15 countries and several more are under negotiation. Those arrangements have started to show some positive results. The final objective of the Group of 15 in this area is the early implementation of a multilateral payments arrangement with membership of countries from all developing regions. 7/

11. At the end of the 1980s, with a few exceptions, the subregional arrangements started to recover from the crisis of that decade as the underlying intra-trade of their member States began to improve. In the case of the Asian Clearing Union and of the ALADI facility, intra-group trade expansion was accompanied by a significant increase in transactions channelled through them. These two facilities have also succeeded in keeping the share of net settlement in foreign exchange in total channelled transactions relatively low (less than 25 per cent of recent year totals). The Asian Clearing Union, furthermore, implemented a currency swap arrangement that has been successful since 1989, while in the PTA the volume of transactions channelled through the clearing system has been on the rise. The PTA facility is also unique among the clearing-houses because of its successful introduction of UAPTA traveller's cheques (1 UAPTA = 1 Special Drawing Right (SDR)) in August 1988. Since then, in fluctuating amounts, those cheques have been permanently in use. In contrast, operations within the clearing facilities in Central and West Africa have remained at a low level despite recent revitalization measures. In the Caribbean, the operations of the Caribbean Community (CARICOM) Multilateral Clearing Facility were suspended in 1983, while in Central America the Central American Clearing House also ceased operations (in July 1992).

12. The subregional clearing arrangements have received support from the United Nations. UNCTAD, for instance, assisted the Asian Clearing Union in preliminary work related to the expansion of its membership by implementing technical studies on the cost and benefits for 13 member countries of the Economic and Social Commission for Asia and the Pacific (ESCAP) of joining the Union. UNCTAD also assisted the West African Clearing House in the computerization of its operations and the training of local staff, as well as in the organization of

national workshops on ways and means of improving the functioning of the clearing-house. In addition, UNCTAD serves as the technical secretariat of the Coordination Committee on Multilateral Payments Arrangements and Monetary Cooperation among Developing Countries. This Committee, established in July 1978, promotes an exchange of experiences, coordination of strategies, and formulation of projects for the expansion and improvement of the activities of member payments arrangements.

13. In the fields of trade credit and export credit insurance and guarantee, existing regional schemes include the Andean Trade Financing System, the Inter-American Development Bank Trade Financing Facility, the Islamic Development Bank, the Arab Monetary Fund Trade Financing Programme, the ECOBANK of the Economic Community of West African States (ECOWAS) and the Central American Bank for Economic Integration. These schemes, however, have not financed an important part of South-South trade. In 1989, all regional trade financing schemes combined extended credits for US$ 1.55 billion or the equivalent of only 2.8 per cent of South-South trade in non-traditional goods. Although some arrangements such as the Inter-American Development Bank and the Islamic Development Bank offer long-term financing for capital/manufactured goods, the bulk of the credit offered by these arrangements, which comes from their own resources, gives priority to financing of non-traditional exports to developed countries through short- and medium-term credits. Moreover, the regional schemes have not been able to tap extra resources from international financial markets to supplement their own resources in financing trade. These weaknesses and the significant demand for trade financing resources have resulted in a proposal to create an interregional trade financing facility for non-traditional goods transactions among developing countries. The proposal is being considered within UNCTAD's intergovernmental machinery.

14. With regard to the establishment of a debtors' forum, while developing countries have recognized the advantages of this proposal, debtors have continued to undertake negotiations on a case-by-case basis. This approach affords them immediate benefits, compared with the long-term potential benefits of joint negotiations and allows for flexibility in their own negotiations. At present, cooperation among developing countries on their external debt problems is limited mostly to consultations and exchange of experiences. For example, in May 1993, a regional seminar on debt conversion was jointly organized by the Latin American Economic System (SELA), UNCTAD and UNDP in Tegucigalpa, Honduras. This seminar, attended by participants from 22 Latin American and Caribbean countries, was devoted to the examination of country experiences with commercial and official debt conversions, and ways and means to encourage such deals. An important outcome of the seminar was the offer by the Government of Ecuador to host a high-level consultative meeting between Paris Club creditors and Latin American debtor countries in November 1993 in Quito, Ecuador. A similar proposal has been made by the Chair-country of the Non-Aligned Movement (NAM) concerning South-South cooperation in resolving debt problems (see annex, paras. 2 and 3). Within the Group of 15, a financial experts meeting was held in Jakarta, Indonesia, in May 1992, as part of its efforts to formulate common approaches on the external debt problem. 8/

15. Regarding the South Bank, although developing countries were initially enthusiastic about its creation when the proposal was first mooted in the 1970s, it did not materialize because some countries considered it too ambitious and

wide-ranging in terms of envisaged activities. Some of the proposed activities of the South Bank, such as development financing and balance-of-payments support, would have impinged on areas that lay within the sphere of operations of the World Bank and the International Monetary Fund. Also, the South Bank proposal was based on the assumption that capital-surplus developing countries, particularly country members of the Organization of the Petroleum Exporting Countries, would assume the responsibility for funding the Bank. Those countries, however, had experienced a shortage of capital by the mid-1980s. Since the publication of the report of the South Commission and its recommendation on this subject, very little progress has been made for basically similar reasons. Notwithstanding these inherent difficulties, the South Bank proposal has laid the seeds for enhanced recognition of the need for financial cooperation among countries of the South.

IV. SOUTH-SOUTH TRADE

South Commission recommendations

The framework for facilitating and promoting all forms of South-South trade created by the Global System of Trade Preferences (GSTP) should be purposefully used. Expansion and deepening of the GSTP should receive urgent priority. Action should be taken to devise a timetable and a programme of action to ensure that by the year 2000 a significant proportion of the trade among developing countries is covered by the GSTP. A regular process of review and negotiation needs to be set in motion.

Implementation

16. The Global System of Trade Preferences (GSTP) among developing countries is established as a framework for the exchange of trade concessions among developing country members of the Group of 77. It thus constitutes an important instrument for the promotion of trade in particular and economic cooperation in general among developing countries. Box 2 provides some notes on the status of the GSTP.

17. A major event was the adoption on 21 November 1991 by the GSTP Ministerial Meeting in Tehran, Islamic Republic of Iran, of the Tehran Declaration Launching the Second Round of Negotiations within the GSTP, with the aim of facilitating the process of accession to the GSTP and carrying forward the exchange of concessions. The Tehran Declaration launching the Second Round of Negotiations with the GSTP provided for the establishment of the Negotiation Committee for the Second Round and stipulated that the negotiations should be concluded, in principle, not later than July 1994. After the conclusion of the Second Round, the Negotiating Committee should meet at the ministerial level. (The Government of Cuba's offer to host such a meeting was welcomed.) The Negotiating Committee established four negotiating groups which commenced their work as of March 1993 in the following areas: facilitation of accession, product-by-product negotiations, across-the-board tariff negotiations, direct trade measures, and non-tariff and sector agreements.

Box 2. GSTP: background notes

The GSTP has been considered a cornerstone of ECDC. The GSTP Agreement was signed by 48 developing countries which exchanged concessions in the course of the First Round of negotiations. The exchange of tariff concessions covered about 1,700 tariff lines and the participants agreed to multilateralize those concessions among themselves. The Agreement entered into force on 19 April 1989 among the 40 countries that ratified the Agreement, namely Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran (Islamic Republic of), Iraq, Libyan Arab Jamahiriya, Malaysia, Mexico, Mozambique, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, United Republic of Tanzania, Viet Nam, the former Yugoslavia and Zimbabwe. Since then, the GSTP Committee of Participants has acted as the governing body of the Agreement and trade transactions under the GSTP have taken place.

18. The First Round of GSTP negotiations were conducted in the framework of a technical cooperation project financed since 1984 by the ECDC Trust Fund, which was subsequently named the Pérez-Guerrero Trust Fund for Economic and Technical Cooperation Among Developing Countries, with UNCTAD as the executing agency. To ensure the continuity of the GSTP and the implementation of the Agreement as well as the conduct of the Second Round of negotiations, further financial support was provided by the Pérez-Guerrero Trust Fund. The strengthening of the GSTP in particular and South-South trade in general continues to enjoy support from the Group of 77 9/ and the United Nations.

19. In addition to the GSTP, UNCTAD has also supported trade-related initiatives of subregional groupings such as ECCAS, ECOWAS, PTA and the Cooperation Council for the Arab States of the Gulf (GCC) (see also chap. IX, para. 58). In UNDP, support is provided through capacities- and needs-matching activities, subject-specific workshops and financial support to the development of the trade information network in the South. UNDP will support three workshops on South-South trade to be carried out in 1993 in Latin America and the Arab States region. The regional commissions have always supported trade promotion activities among their respective member States. The Economic and Social Commission for Western Asia (ESCWA), for example, has supported the trade promotion efforts of the League of Arab States, the Arab Monetary Fund and the Inter-Arab Investment Guarantee Corporation.

20. As regards South-South trade flows in general, after a decline from US$ 142 billion in 1980 to US$ 117 billion in 1986, such trade increased to US$ 221 billion in 1991. This increase, however, does not alter the fact that South-South trade continues to be the weakest link in world trade: it accounted for about 6 per cent of world trade in 1991 as compared with North-North trade, which accounted for about 54 per cent of world trade (see table). Trade within regional and subregional integration arrangements of developing countries constitutes an important part of overall South-South trade. In general, both the volume and relative importance of such trade within most integration

The weakest link: South-South trade

A. Composition of world trade (1991)

	Total world	South-South	South-North	North-North	Other
Value (US$ million)	3 507 757	221 280	965 122	1 902 395	427 960
Share of total (percentage)	100.0	6.3	27.3	54.2	12.2

B. Composition of South trade (1991)

	Total South	South-South	South-North	Other
Value (US$ million)	1 323 966	221 280	965 122	146 564
Share of total (percentage)	100.0	16.7	72.2	11.1

C. Intra-group trade flows (1990)

Grouping a/	Value of intra-group trade (US$ million)	Share of intra-group trade in total export of grouping (percentage)	Share of group's exports to developing countries (percentage)
ECOWAS	1 280	6.1	14.0
CEPGL	7	0.6	11.0
UDEAC	180	1.5	17.9
CACM	664	15.8	25.5
CARICOM	273	4.0	25.5
ALADI	11 670	10.4	20.4
Andean Group	1 192	3.8	21.6
ASEAN	26 290	18.5	38.3
ECO	1 680	4.5	26.0

Source: UNCTAD secretariat.

a/ See beginning of this document for expanded form of abbreviations, and membership.

arrangements remain modest although the high level of 1981 had, after many years of stagnation and/or decline, been reached, and surpassed, by 1990. Apart from the Central American Common Market (CACM), ALADI and the Association of South-East Asian Nations (ASEAN), in most arrangements the share of intra-group trade in total group trade remains well below 10 per cent (see table, sect. C). Moreover, member States of integration groupings tend to trade more with other non-member developing countries than among themselves. In view of this apparent weakness, a number of initiatives, in addition to the GSTP, relating to regional and subregional market integration processes in the South, have been launched that could have an impact on South-South trade expansion (see discussion in chap. IX).

V. COOPERATION IN COMMODITY DEVELOPMENT

South Commission recommendations

With a view to improving their position in world markets through supply management or other means, commodity producers within the South should urgently consider reinforcing existing producers' associations and setting up new ones. In particular, producers of the three tropical beverages - tea, coffee, cocoa - should work out a comprehensive programme of cooperation among themselves. The Group of 77 and the Non-Aligned Movement should provide strong support to these initiatives.

Implementation

21. That most of the existing international commodity agreements have been coming up for renegotiation since August 1991 has led to a focusing of international action in the area of commodities, inter alia, on producer-consumer negotiation of successor agreements. Five meetings have been held on the renegotiation of a successor agreement to the International Cocoa Agreement, 1986, which is due to expire on 30 September 1993. The International Coffee Agreement, 1983, due to expire on 30 September 1993, is being renegotiated. The International Sugar Agreement was negotiated in 1992 and entered into force provisionally on 20 January 1993. The International Agreement on Olive Oil and Table Olives, 1986, was due to expire on 31 December 1993, but the United Nations Conference on Olive Oil and Table Olives, 1993, having met in Geneva (Switzerland) in March 1993, adopted a protocol amending and extending the Agreement until the end of 1998. The International Natural Rubber Agreement, 1987, is due to expire on 28 December 1993 unless extended. With regard to the International Tropical Timber Agreement, 1983, which has been extended until 31 March 1994, a United Nations conference to prepare a successor agreement was convened in April 1993 and affirmed its desire to achieve a successor agreement. The second session of this conference was held from 21 to 25 June 1993 in Geneva, and a third session is scheduled for 4 to 8 October 1993. Most of these international commodity negotiations were conducted under the auspices of UNCTAD, indicating the established supportive role of the United Nations on commodity issues.

22. In the context of the above-mentioned negotiations, and with a view to defending their interests, existing intergovernmental producer associations have endeavoured to promote schemes for the rationalization of supply owing to the large excess of supply over demand (coffee, cocoa) and/or continued depressed prices of most commodities. Those negotiations have also provided the occasion for a strengthening of cooperation among commodity-producing developing countries leading to the achievement of common negotiating positions. In fact, producer cooperation has taken on additional importance in the context of difficulties in some of the international commodity negotiations. In this context, the Chair-country of NAM has proposed that member States should encourage the revival of international commodity agreements and promote producers cooperation (see annex, paras. 7 (a), (b) and (c). Production policies to be agreed among developing countries have emerged as possible alternatives to more traditional economic provisions in cocoa and coffee, and closer producer cooperation is being put forward as a way of dealing with a possible impasse in the renegotiation of the International Natural Rubber Agreement, 1987. For the long term, cooperation among producers is essential for jointly improving the structural characteristics and promoting the development of their commodity markets.

23. Regarding developments pertaining to existing producer associations of agricultural commodities, an Intergovernmental Group on Tea established within the fra ework of the Food and Agriculture Organization of the United Nations provides, inter alia, a forum in which producers review recent developments in the world tea market, assess annual prospects for tea production and trade, and monitor development in other forums relevant to the Group's work. The tenth session of the Group was held in Rome in June 1992.

24. With respect to coffee, the African and Malagasy Coffee Organization (Organisation africaine et malgache du café (OAMCAf)) actively participated as a group in the negotiations conducted within the framework of the International Coffee Council for a new international coffee agreement. It was stressed that coffee-producing countries of the South need economic clauses to regulate the market and bring in the necessary minimum of export earnings to finance their development. The Inter-African Coffee Organization (IACO) also participates in such negotiations and continues to actively co-sponsor training programmes and seminars to improve marketing techniques for producers, and to raise quality standards.

25. As regards cocoa, the Fifty-fifth General Assembly of the Cocoa Producers' Alliance (CPA) in Kuala Lumpur, Malaysia, in October 1992 approved the Kuala Lumpur Declaration on Production Policy, enabling the creation of a Permanent Production Committee comprising all members of the Alliance as well as non-members, with appropriate terms of reference including, inter alia, the determination of effective measures and a plan of action to achieve a durable restoration of equilibrium between world cocoa supply and demand within a reasonable time-frame.

26. The Association of Natural Rubber Producing Countries (ANRPC) has been participating actively as a group in the renegotiation of the International Natural Rubber Agreement, 1987. During its ministerial-level meetings in 1991 and 1992, ANRPC urged the timely renegotiation of the 1987 Agreement and

reiterated that the successor agreement should, in addition to stabilizing prices, adequately address developmental objectives.

27. Discussions are taking place within the International Pepper Community (IPC) (Brazil, Indonesia, Malaysia, India), as well as among a number of the pepper-producing countries, on measures to support pepper prices which have fallen to extremely low levels (average prices fell from US$ 6,000 in 1985 to about US$ 1,753 in 1993).

VI. ENTERPRISE COOPERATION

South Commission recommendations

Cooperation among business enterprises of the South should be promoted at the bilateral, subregional, regional, and interregional levels. All developing countries should introduce legal, technical, and fiscal measures that encourage joint ventures and the conclusion of agreements for the transfer of technology among Southern enterprises. They should give preferential treatment to investment and technology flows from other developing countries. A code for the operation of Southern multinational enterprises and for the transfer of technology should be adopted, setting out the rights and obligations of all parties. Business and industry in the South should be brought into the mainstream of South-South cooperation; the establishment and effective functioning of the Association of Third World Chambers of Commerce and Industry should be made a priority. The Group of 77 and the Non-Aligned Movement should set up a standing committee consisting of government representatives as well as businessmen to keep enterprise cooperation under regular review.

Implementation

28. Developing countries have intensified efforts to promote cooperation at the enterprise level, inter alia, through the establishment of joint ventures, and meetings of chambers of commerce and industry and trading enterprises, as well as through the setting up of associations thereof. The meeting of the chambers of commerce and industry of the Group of 77, which first took place in 1988 in Rio de Janeiro with the support of UNCTAD and UNDP, was followed by subsequent annual meetings in New Delhi (1989), Harare (1990), Havana (1991) and Jakarta (1992). A steering committee responsible for the preparation of the annual meetings follows up on the decisions taken at those meetings. The process of creating multinational enterprises among developing countries has continued, covering a wide range of activities including mining, industry, food production, banking, transport and other services. The capital of such enterprises is subscribed by public or private investors originating in the regions where the enterprises are established or by such investors and others originating from other developing regions. Examples of this kind of subscription include that of Air Afrique, 10/ the ECOWAS Fund's participation in ECOBANK, the Islamic Development Bank's participation in the National industrial and mining company (Société nationale industrielle et minière (SNIM)) and the Andean Development

Corporation's participation in the Andean Foreign Trade Company (Compañía Andina de Comercio Exterior (CACE)).

29. Several business missions, meetings and seminars have been organized for enterprises of developing countries with a view to promoting cooperation among enterprises and between such enterprises and Governments. For instance, UNCTAD, with UNDP assistance, 11/ supported a meeting of African trading enterprises, held in June 1991, which led to the establishment in December 1991 of the Association of African Trading Enterprises (ASATRADE); a meeting of enterprises from Africa, Asia, Latin America and Europe, organized in May 1992 in Havana, to discuss ways of promoting inter-enterprise cooperation and trade expansion; and a meeting of trading enterprises of Asian and Latin American countries of the Pacific Rim, held in November 1992 in Santiago, Chile, to promote inter-enterprise cooperation and business. Subregional cooperation arrangements of developing countries have also included the hosting of trade fairs and meetings among enterprises and businessmen to promote contacts and business transactions. For example, during the Fourth Trade Fair of PTA in Dar es Salaam, United Republic of Tanzania, held in July 1992, 268 enterprises based outside of, and 311 enterprises based within, the United Republic of Tanzania, exhibited at the fair. Features of the fair were a workshop on the textile industry in the subregion, a series of buyer/seller meetings, and a ministers/businessmen symposium on integration problems in the subregion.

30. At the global level, the second meeting of Group of 15 businessmen was held in Dakar, Senegal, in November 1992. Furthermore, in this regard, Zimbabwe has offered to coordinate a Group of 15 project on the establishment of a business and investment forum of developing countries. The South Investment, Trade and Technology Data Exchange Centre (SITTDEC), a Group of 15 project aimed at enhancing the South's own capabilities in the collection, classification and dissemination of data on the promotion of South-South trade, investment flows and technology transfer, has been established in Malaysia. The SITTDEC database presently contains over 7,000 mainly trade-related documents. The first meeting of the Board of Directors of SITTDEC was held in Dakar in November 1992. In a similar effort, ESCAP, UNCTAD, UNDP and the Government of the Republic of Korea are at present cooperating jointly in launching the establishment of a regional investment information and promotion service in Asia and the Pacific. A work plan was adopted in 1992 with a view to promoting the establishment of this service in 1993.

31. In addition to support from the United Nations organizations mentioned in the preceding paragraphs, there has been continuing special attention paid within the United Nations Industrial Development Organization (UNIDO), to issues relating to the promoting of South-South cooperation. In response to the call for increased financing for South-South cooperation, large-scale, intercountry, multi-donor-financed programmes, such as the regional programme for industrial automation of the capital goods sector in Latin America, have been developed. That programme is part of the Regional Cooperation Programme for the Industrial Recovery of Latin America and the Caribbean, which also includes the promotion of TCDC potentials in such areas as industrial subcontracting and computerized maintenance management of the iron and steel industry. UNIDO undertook similar activities in Africa, such as the development of a demonstration programme on the use of indigenous biomass resources for meeting energy needs throughout the eastern and southern African subregion. UNIDO has also cooperated with

subregional groupings such as the Arab Maghreb Union (AMU) in promoting industrial joint ventures among enterprises, GCC in promoting a subregional programme for the development of small- and medium-scale enterprises, and the Organization of the Islamic Conference (OIC) in carrying out follow-up activities for implementing 104 industrial projects. Furthermore, in 1992 UNIDO organized some 26 regional and subregional workshops/meetings with a distinct ECDC/TCDC character covering a wide range of technical fields (machine tools, man-made fibres, petrochemicals), in which participation from public and private institutions was encouraged with the aim of promoting enterprise-to-enterprise cooperation. Such cooperation is also promoted using the UNIDO trust fund scheme as the financing mechanism. 12/

VII. FOOD SECURITY

South Commission recommendations

A process should be initiated for the review of food security and related issues on a continuous basis and for coordinating policies and action with respect to food security at the subregional, regional and interregional levels. Special attention should be paid to developing joint research and productive enterprises in agro-industry and food production. Food-exporting developing countries should agree to give priority to the needs of food-importing developing countries in times of scarcity. Within regions or subregions, arrangements should be made to coordinate national food stocks and establish jointly managed emergency food reserves. The South should jointly evolve a long-term programme to help Africa meet its food needs and step up food production.

Implementation

32. Food security consists in access by all people at all times to enough food for an active and healthy life. It entails ensuring the adequacy and stability of food supplies (through domestic production or import), and access by all households to sufficient food (by either producing it themselves or buying it). In this regard, some of the main challenges facing the developing countries and the international community involve the provision of life-sustaining food, the building of self-reliant families and communities and, as more and more people become victims of natural or man-made disasters, the increasing need for providing fast, efficient food relief assistance to those in need. Such food aid has an intrinsic advantage over other forms of aid: no other form of assistance entails the transfer of such a large quantity of resources directly to the poor.

33. The growing need to combat food insecurity (lack of access to enough food) is a priority for developing countries. For example, the Chair-country of NAM has proposed the convening of a Conference of Ministers of Food and Agriculture to formulate policies that address food security issues (see annex, paras. 4 and 5). In the Asian region, one of the major objectives of the South Asian Association for Regional Cooperation (SAARC) is to strengthen food security in its member States and to that end a SAARC Food Security Reserve has been

established under an agreement signed in August 1988. The Reserve, which amounts to 240,000 tons, is for use when and if food emergencies occur in member States. Likewise ASEAN, apart from establishing and maintaining a Food Security Reserve of 53,000 tons of rice, is involved in a wide range of cooperation efforts in the field of agriculture, including activities aimed at increasing food production and preventing post-harvest losses in member countries. (Some other similar initiatives are described below.)

34. Two United Nations organizations that are involved in food security-related issues by virtue of their mandates are the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP). FAO places South-South economic and technical cooperation among the priority means of action with respect to its activities in line with the increasing interest shown by Governments of developing countries in cooperative arrangements to strengthen food security. This approach was stressed in the FAO Plan of Action on World Food Security and the World Food Security Compact. FAO actively sponsors, and undertakes studies and provides technical assistance on the formulation of, global and regional agriculture development strategies and policies. Such efforts are reflected in its (a) support to a joint endeavour of three subregional organizations, namely, the Intergovernmental Authority for Drought and Development (IGADD), the Southern African Development Community (SADC) and PTA, concerning the formulation of a subregional food security strategy and action programme with special emphasis on the promotion of regional food trade; (b) preparation of studies, within the context of multisectoral assistance to ECOWAS, aimed at developing a strategy for subregional food security that focuses on improved arrangements for operation and management of subregional food security stocks and food storage; (c) assistance to the Organization of African Unity (OAU) in the development of a Common African Agricultural Programme (CAAP); and (d) support to ALADI in the formulation of a subregional food security strategy and action programme. 13/

35. FAO also collaborates with developing countries and their subregional groupings in their food security projects. For instance, FAO assisted: (a) the secretariat of the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) in the establishment of a Regional Unit for Food Security; (b) IGADD in the establishment of a regional Early Warning and Food Information System (EWFIS) that utilizes satellite information obtained from the Regional Remote Sensing Facility in Nairobi, in addition to other types of food security information, for example, on price and nutrition, from IGADD member States for early warning purposes; and (c) SADC in the establishment of national and regional early warning systems designed to provide member States with timely warning of impending food shortages or surpluses. A regional Early Warning Unit, jointly financed by SADC member States and donors, has been established in Harare, Zimbabwe, to coordinate the activities of the SADC regional Early Warning System (REWS). In support of REWS, FAO is providing further technical assistance in establishing a SADC Regional Remote Sensing Centre that is to provide the early warning systems with satellite information.

VIII. COOPERATION IN EDUCATION, SCIENCE AND TECHNOLOGY

South Commission recommendations

Priority should be given to the identification and development of selected Centres of Educational Excellence, particularly in the fields of basic sciences, engineering, medicine, management, and public administration. It is equally necessary to create a Foundation for South Fellowships to facilitate the movement of students, teachers, researchers and other technical personnel among developing countries.

The South should develop a strategy for scientific cooperation focused on issues of major concern in which research and innovation could offer tangible benefits through the pooling of resources. The Centre for Science and Technology of the Non-Aligned and Other Developing Countries should be invited to draw up, in cooperation with the Third World Academy of Sciences and other scientific institutions in the South, a programme for coordinating scientific and technological research in the South in identified core areas. Particular attention should be given to fostering joint research and development in key areas of high technology such as biotechnology, informatics, and materials sciences. Southern institutions distinguished by a high level of research and facilities should be identified for the purpose of training scientists, engineers and technicians from other countries in the South under a programme of cooperation.

Implementation

36. As regards education, cooperation among countries of the South is an important element in efforts to enhance human resources development. Countries of the South can benefit from each other's experiences by analysing reasons for the failures of educational development projects and, given the similarity of conditions, share lessons learned in applying the results of successful projects such as that of producing low-cost educational materials. In addition, the scarcity of highly qualified members of the human resources pool calls for maximization of the use of such resources. Thus ways and means should be found to facilitate the movement of experts among and their use in countries of the South. Agreements among educational institutions are being developed to facilitate the movement of experts, teachers and students from one country to another. Similar agreements to enhance joint educational South-South projects could also be developed. Cooperation at the regional and subregional levels, such as in the preparation of education programmes and materials, also helps to consolidate efforts and decrease costs. Also, regional projects and network and twinning arrangements support to a large extent the strengthening of institutions to become centres of excellence with particular specializations.

37. The Group of 15 has several plans in this sector, that is to say, (a) India has offered to set up in Senegal, for the Group of 15 and other developing countries in the African region, a centre to upgrade the skills of human resources in agriculture, water agriculture, water management, agro-based industries and traditional crafts and (b) India has also proposed to set up a

centre in New Delhi to impart training in computer operations and software development for candidates from the Group of 15 and other developing countries. The entire cost of setting up this centre would be met by India. The travel expenses of the trainees would be borne by the sponsoring countries while expenses associated with training at the centre would be met by India. 14/

38. As regards science and technology, cooperation among developing countries in general has intensified in recent years. This development has evolved as policy makers have become sensitized to the need for joint efforts in promoting technology transfer and development, exchanging ideas and exploring options on technological policy questions, and identifying new modalities for technological cooperation at the regional and interregional levels. Most regional and subregional cooperation groupings of developing countries, for example, have introduced new provisions in their treaties and programmes concerning cooperation in science and technology. Within these broad areas, some of the priorities include developing appropriate mechanisms for active South-South cooperation, diffusing technologies addressing especially small- and medium-sized companies, improving interactions between enterprises and academic institutions in fostering uses of relevant technologies and application of research results, and encouraging exchanges of experiences and broadening of training opportunities.

39. The Group of 15 has been working on launching a number of scientific and technological projects. For example, following approval by the Summit-Level Group for South-South Consultation and Cooperation of the project on the establishment of Gene Banks for Medicinal and Aromatic Plants by the first Group of 15 Summit, significant progress with respect to that project has been achieved. Three Regional Coordinators have been identified, namely, Egypt for the African region, Brazil for the Latin American region and India for the Asian region. India is also the overall coordinator. At the Meeting of the Regional Coordinators and the Scientific Advisory Committee, a plan of action for implementation was discussed in detail. An inventory of important medicinal and aromatic plants is under preparation. India prepared a model inventory which has been circulated to all Group of 15 countries. The urgent need to set up a Trust Fund of US$ 500,000 (to facilitate the implementation of such recommendations as training courses, joint projects, seminars and workshops and arrangements for consultants to help various countries in the setting up of Gene Banks) was accepted by the experts. The mode of operation of the Trust Fund has also been evolved with a full consensus. Another activity relates to the area of alternative energy. Five solar energy projects - solar lighting, solar refrigeration, solar water-heating, solar drying and a data bank - and corresponding country coordinators were agreed upon at a Group of 15 Expert Group Meeting held in New Delhi in September 1992. Focal points in all Group of 15 countries have also been identified. 15/

40. The United Nations has supported developing countries and their institutions in enhancing education, science and technology development through South-South cooperation. The United Nations Educational, Scientific and Cultural Organization (UNESCO) has contributed in this area through a number of programmes, committees, international projects and publications such as:

(a) The Regional Programme for Universal Provision and Renewal of Primary Education and Eradication of Illiteracy in Asia and the Pacific, the Regional

Programme for the Universalization and Renewal of Primary Education and the Eradication of Illiteracy in the Arab States by the Year 2000, the Major Project in the Field of Education in Latin America and the Caribbean, and the Regional Programme for the Eradication of Illiteracy in Africa; and the regional and subregional networks of educational innovation for development (Africa, Arab States, Asia and the Pacific, Latin America and the Caribbean, Europe);

(b) The Regional Advisory Committee on the Renewal of Science and Technology Education in Africa and the Advisory Committee on Regional Cooperation in Education in Asia and the Pacific;

(c) Project 2000+ on Science Education for All, the international UNESCO Technical and Vocational Education Project (UNEVOC), and the project for twinning universities (UNITWIN)/UNESCO Chairs programme;

(d) The publications entitled World Education Report, Prospects, and Study Abroad.

UNESCO has also contributed to this area through information and documentation services on education provided by the UNESCO secretariat, and by its institutes and field units. South-South cooperation is also promoted and reinforced through regional conferences of Ministers of Education and those responsible for economic planning, as well as through regional and subregional workshops, seminars, meetings and training courses focused on key areas and subjects. Such direct assistance rendered in 1992 to developing countries included the organization in Latin America and the Caribbean of 40 training courses, seminars and workshops in the field of basic engineering and sciences with over 500 participants; 25 training activities in Asia and the Pacific, with 410 experts; the establishment, in Africa, through the UNESCO-sponsored Tropical Soil Biology and Fertility (TSBF) network, of a programme geared to improving the research and training capacities of the universities of Kenya, Mozambique, Uganda, the United Republic of Tanzania, and Zimbabwe; and training seminars and conferences in the Arab States. 16/ In addition to UNESCO's activities, other United Nations organizations have provided significant support in their areas of competence for this purpose. UNDP, for example, will provide increased support in the 1992-1996 programming cycle to a number of institutions which will be selected for their potentials or available competence to undertake TCDC activities in integrated priority sectors in education.

41. The UNITWIN/UNESCO Chairs programme is intended to develop university networking and other linking arrangements with the aim of promoting institutional development and facilitating the exchange of expertise and experience, as well as staff and students. The UNESCO Chairs scheme involves the creation, in partnership with universities and other appropriate bodies, of professorships enabling visiting scholars to provide the core expertise for the development of centres of excellence in key disciplines and fields related to sustainable development, such as education, science and technology. Around 52 UNESCO Chairs have been or are in the process of being created throughout the world. An example is the creation of the UNESCO Chair in the National University of Asunción (Paraguay) with the support of all the universities of Argentina, Brazil, Paraguay and Uruguay.

42. Many policy makers in developing countries need greater sensitization both to the importance of industrial technology and to the potential for taking advantage of it through South-South cooperation. The range of possibilities for such cooperation in the acquisition, development and use of technology for industrial development are evident in a number of activities that can be categorized in terms of developing countries' four main technology goals, namely, the management of technological change, the development of national (endogenous) technological capabilities, the development of technology acquisition capabilities, and an adequate flow of technological information.

43. Technology policy comprises a set of strategies and instruments that guide the acquisition, generation and use of relevant technologies. South-South cooperation helps in two respects. Meetings and high-level study tours facilitate exchanges of views and experience between those with successful policies and those trying to catch up. Second, both policies and support mechanisms can be studied and compared through cooperation among the South's technology policy institutions and policy research groups - already networked in Africa, for example, thanks to a Canadian organization.

44. Similarly, TCDC in research and development can strengthen developing countries' endogenous technological capacity. The United Nations development system, with its interchanges of ideas, expertise and results, plays an important catalytic role in identifying areas of common interest for research and in mobilizing funding for common programmes. The information referral service known as INRES-South, a database covering developing countries' institutions and operated by UNDP in conjunction with appropriate United Nations specialized agencies, identifies opportunities for cooperation in both research and development and training through keyword searches of each institution's profile.

45. To facilitate cooperation in research and development both between branch-level institutions, for example, those specializing in advanced machine tools, and at the enterprise level, UNIDO matches technology requests with offers from developing countries or brings them together in programming workshops and technology markets. The latter are particularly suited to the dissemination of information and transfer of appropriate, locally developed technologies. UNIDO also promotes multi-country centres of excellence devoted to particular technologies, especially in such rapidly advancing technological fields as biotechnology and genetic engineering, materials assessment and applications, solar and hydrogen energy and marine industrial technologies. International technology centres involving both developed and developing countries (such as the International Centre for Biotechnology and Genetic Engineering in Trieste, Italy, and New Delhi, India, and the International Centre for Science and High Technology, in Trieste, Italy) also contribute to TCDC in research and development training and exchange of expertise and experience. Other South-South cooperation networks devoted to technological cooperation include UNIDO's Consultative Group on Solar Energy Research and Application and its Consultative Group on Informatics Technology for Development. Similar TCDC programmes operate at the regional level - for example, for mini-hydropower institutions in Asia and for micro-electronics in Latin America and the Caribbean.

46. UNIDO's Technological Information Exchange System (TIES) enhances national capacity in technology acquisition and negotiation by linking developing countries' technology transfer institutions in a comprehensive programme for the exchange of staff, information, experience and technology. Strengthening the flow of technological information is the main task of the Industrial and Technological Information Bank (INTIB) which is evolving from an information and documentation service into a series of referral networks of information services using modern communication techniques. Its aim is to produce four computer-linked regional information networks (for Africa, Asia and the Pacific, Latin America and the Caribbean, and Europe), complemented both by subregional and national networks and by international sector networks in selected technological fields. By these means, INTIB focal points in participating developing countries are able to help each other with technological information based on their own experience. A parallel programme relies on South-South cooperation in the field of technology monitoring and forecasting. Plans are also in hand to share national assessments of different technologies and their impact and, through UNIDO, to make them available to developing countries at large.

47. UNCTAD has organized workshops for selected developing countries devoted to discussing policies for technology transfer and acquisition, with particular reference to technology problems faced by least developed countries and island developing countries. Similarly, in Buenos Aires in March 1993, the University of Buenos Aires, with the support of UNDP and UNCTAD, organized a workshop devoted to examining the development of linkages between the research community and the enterprise sector in Latin America, and to promoting the coordination of efforts among regional programmes supported by various national and international agencies.

48. FAO, through its cooperative research programmes with the International Atomic Energy Agency (IAEA) and its research networks, facilitates cooperation between research institutions of both developed and developing countries in many technical areas, including biotechnology, for the benefit of improved food and agriculture. The European System of Cooperative Research Networks in Agriculture (ESCORENA) links nearly 400 scientific institutions from 48 countries, 22 of which are outside Europe. The membership of the Plant Biotechnology Network for Latin America and the Caribbean covers institutions from 19 countries of the region, while 8 countries of the region of Asia and the Pacific collaborate through the Asian Network for Biotechnology in Animal Production and Health. With a view to promoting cooperation among regional research associations, FAO has supported such institutions as the Association of Agricultural Research Institutions in the Near East and North Africa (AARINENA) and the Asia-Pacific Association for Agricultural Research Institutions (APAARI).

49. The regional commissions also, through their science and technology programmes, have conducted activities that require heavy South-South involvement both in the preparation and in the implementation of outputs, as well as in their utilization. ESCWA, for instance, has implemented (a) a technical study and workshop on respectively the implications of new and advanced materials for the development of ESCWA countries, and the integration of science and technology in the development planning process; (b) plans to set up an ESCWA Regional Centre for Outer Space Science and Technology Education in which the

acquisition by countries of the region of remote-sensing technologies and the application of those technologies in environment, natural resources and agricultural research and development activities will feature prominently; and (c) plans, inter alia, to establish regional networks of research and development institutions.

IX. REGIONAL/SUBREGIONAL COOPERATION AND INTEGRATION

South Commission recommendations

> Measures should be taken to make schemes for subregional and regional cooperation more effective. The existing preferential trading arrangements should be strengthened and new ones created. Controls on trade and foreign exchange should be rolled back, product coverage extended, and non-tariff barriers removed. Clearing and payments arrangements should be revitalized. These initiatives should be complemented by the regional planning of investment in selected areas. Each regional and subregional group should critically examine its options and draw up a more up-to-date agenda of action, identifying immediate priorities and targets to the year 2000, as well as a longer-term plan extending to the year 2020.

Implementation

50. The process of regional and subregional cooperation and integration, after a decade of stagnation and/or retrogression, has entered into a period of resumed dynamism. There are few developing countries that are not members of one or another regional/subregional cooperation and integration grouping. Since 1991, some new regional groups have been established among developing countries including the Central American Group of 4 (Grupo América Central 4, involving El Salvador, Guatemala, Honduras and Nicaragua) in April 1993; the Southern African Development Community (SADC) in August 1992; the Central American Integration System (SICA) in December 1991; the African Economic Community in June 1991; 17/ and the Southern Cone Common Market (MERCOSUR) in March 1991. In addition, most existing regional/subregional groupings have been revising their treaties, strategies, programmes and instruments of cooperation with a view to strengthening and consolidating market integration processes through the formation of free trade areas, customs unions and common markets. Most of the major integration groupings aim to achieve such goals by or around the year 2000. At the same time, the recent revival has not neglected other facets of regional and subregional cooperation such as developing and diversifying production structures, building monetary and financial structures, developing cross-border infrastructures and communication networks, and increasing sociopolitical cooperation, as well as revamping the institutional machinery so that it responds more effectively and efficiently to the new challenges to be faced.

51. Many groupings are also considering and/or applying new approaches to cooperation and integration. The recent market integration measures, for instance, are being developed by and large within the framework of an outward-oriented approach that also facilitates the integration of the countries

involved into the wider global economy. As regards the pace and form of integration, however, divergent approaches are emerging from different regions. There is a movement evident in Latin America, for instance, towards more flexible approaches that allow for various speeds of integration and are free of standard geographical constraints. In this region, many new integration arrangements, both bilateral and multilateral, have been established involving countries within a subregion and across subregions. These arrangements include the expanded bilateral market agreement of September 1991 between Chile and Mexico, the expanded bilateral economic area agreement of April 1991 between Chile and Venezuela, and the free trade agreement of January 1991 between Mexico and the Central American countries. Mexico, moreover, is involved with Canada and the United States in establishing the North American Free Trade Agreement (NAFTA). In Africa, in contrast, the blueprint for regional and subregional integration, as laid out in the treaty establishing the African Economic Community, envisages a structured process whereby the continental organization will be established progressively in six stages (beginning with the strengthening of subregional groupings), the completion by all member countries of one stage marking the launching of the next according to a chain mechanism. 18/

52. As regards developments within each developing region, in North Africa, AMU has a launched a variety of activities aimed at strengthening sectoral cooperation and integration. Regarding trade, it has been working towards launching its objective of establishing a customs union by 1995. In Central Africa, the Central African Customs and Economic Union (UDEAC) has been carrying out a major reform of its customs and fiscal instruments, as well as of its secretariat structure. ECCAS has also been revising its instruments of cooperation. In the Economic Community of the Great Lakes Countries (CEPGL), the pace of cooperation has been negatively affected by political disturbances in member States. In West Africa, ECOWAS has revised its constituent treaty and is soon expected to adopt the revised one. A free trade area scheme was launched in 1990 and it is expected that the plan will be consummated by the year 2000. ECOWAS also plans to achieve a single monetary zone by that year. With respect to States of the Mano River Union (MRU), the political conflict in Liberia has hampered cooperation efforts. In eastern and southern Africa, the former Southern African Development Coordination Conference (SADCC) has been transformed through a treaty into SADC (see para. 50), which is currently in the process of developing the technical protocols that will define and determine the various sectors and activities for cooperation, including trade integration. In PTA, member States have adopted a new trade and development strategy for market integration and economic transformation in which the formation of a common market is stressed.

53. In Asia, ASEAN member States agreed in January 1992 to overhaul the organization's institutional machinery and cooperation programme. Regarding institutional issues, summit meetings will be convened more frequently and the secretariat structure streamlined. Regarding cooperation programmes, the most prominent decision was the agreement to create an ASEAN Free Trade Area through the implementation of a common effective preferential tariff scheme. Beginning 1 January 1993, the range of this tariff will be steadily reduced over 15 years to 0-5 per cent for 15 product groups. Regarding the Bangkok Agreement, work is continuing on the expansion of its membership. The member States of SAARC adopted a trade cooperation pact in December 1991 that, among other things,

called for the creation of a preferential trade area. To that end, an agreement on the SAARC Preferential Trading Arrangement (SAPTA) has been prepared and signed by member States. In central Asia, the Economic Cooperation Organization (ECO) (comprising initially three founding member States) has been enlarged to include most of the countries in this subregion. 19/ In February 1993, ECO adopted the Quetta Plan of Action which provided guidelines for cooperation in transport and communication, trade (especially establishment of a free trade area), energy, environment and other areas. 20/ In western Asia, GCC continued its efforts on behalf of consolidating national markets into a subregional entity.

54. In Latin America and the Caribbean, in addition to the new initiatives mentioned previously, all the existing integration groupings have adopted new cooperation programmes and instruments. In the Andean Group, the Presidents of member States adopted in 1989 the Strategic Design for the Orientation of the Andean Group which laid out the guidelines for the orientation of its integration process in the 1990s. Since then the Andean Group has been endeavouring to implement the objectives and activities of this new programme. In Central America, a new institution, the Central American Integration System (SICA), was instituted by the Presidents of the countries of the isthmus. SICA will regroup under it all existing subregional integration institutions. Efforts to revive CACM within the context of broader programmes to restore peace in the subregion and revive growth and development in general have continued. ALADI has been revamped as a standard-setting organization for integration in the region, especially regarding market integration arrangements. In the Caribbean Community (CARICOM), the Conference of Heads of State and Government in July 1989 agreed to accelerate the commercial integration process and, to that end, to achieve the formation of a single market by 1994. Member States have been focusing their efforts on the implementation of this agreement.

55. Some of the organizations of the United Nations system have a long history of association with regional/subregional groupings of developing countries. The regional commissions, by virtue of their mandates, have been engaged from the outset in activities relating to the promotion of economic cooperation and integration among their respective member States by initiating and implementing measures for developing, maintaining and strengthening relations among the countries concerned. In the Economic and Social Commission for Asia and the Pacific (ESCAP), the work programme has recently assumed a thematic orientation in which one of the three principle themes is regional economic cooperation. Also, in April 1992, the ESCAP Commission adopted the Beijing Declaration on enhancing regional economic cooperation; this provided the framework and the guidelines for promoting regional economic cooperation on the basis of equality and mutual benefit in the priority areas of intraregional trade and investment, science and technology, and infrastructure development. Follow-up activities are being promoted under the guidance of a Committee for Regional Economic Cooperation.

56. Over the past five years, the Economic Commission for Africa (ECA) has given high priority to economic integration activities in Africa; this has resulted in the adoption of comprehensive economic cooperation and integration programmes for, and a global economic strategy in, Africa. Indeed, ECA initiated the multisectoral integration approach for the development of Africa through the formulation of multisectoral projects. The main objectives of

multisectoral projects is to ensure consistency in the linkages among agriculture, energy, transport, industrial development and their support sectors as a way not only of strengthening those intersectoral and interindustrial links, but also of adjusting production structures to consumption patterns. As the principal executing agency for three multisectoral projects valued at US$ 8.4 million, ECA helped in speeding up the economic integration process in ECOWAS, ECCAS and UDEAC. 21/ Similarly, ECA has been striving to strengthen mechanisms that are likely to foster regional integration. ECA carried out activities focusing on the rationalization of (a) regional and subregional institutions sponsored by ECA that have been set up over the last 35 years and (b) subregional economic groupings or intergovernmental organizations. By harmonizing and coordinating their programmes and activities, African institutions will be relevant and viable and will meet their objectives rationally. To this end, ECA and the African Development Bank have been cooperating with OAU (with financial assistance from UNDP) in supporting the ongoing efforts of African countries to establish the African Economic Community. 22/

57. ESCWA provides direct support to South-South cooperation in the context of its work programme, activities and advisory services. Its support to South-South cooperation also finds expression in cooperation arrangements (agreements, memoranda of understanding, ad hoc consultations, participation in meetings and joint projects cooperation and coordination) with organizations that have mandates extending beyond Western Asia (such as the League of Arab States and OIC), as well as with other entities of the United Nations system. ESCWA's cooperation with the League of Arab States and its subsidiary bodies has covered joint activities of a substantive and coordinating nature including preparation of the Unified Arab Statistical Abstract, organization of the Arab Ministerial Conference on Environment and Development (Cairo, 10-12 September 1991), organization of meetings such as the Arab Regional Population Conference (Amman, 4-8 April 1993) and attendance at meetings and participation in joint project cooperation and coordination. ESCWA's cooperation with OIC and its subsidiary bodies focuses on the fields of water, and science and technology. For example, the Islamic Development Bank is cofinancing, in cooperation with ESCWA, a project using remote-sensing techniques for the assessment of water resources in the region. The regional advisers attached to ESCWA have also assisted in strengthening regional institutions in agriculture, data processing, energy, environment, human resource development, national accounts and statistics, science and technology, transport and communication and water resources development.

58. At the global level, UNCTAD (in cooperation with the regional commissions and UNDP) has provided assistance to a large number of integration and cooperation groupings since the 1960s. In the last three years, in addition to preparing policy-oriented reports, UNCTAD, upon request, provided technical assistance and advisory services covering a whole range of South-South issues relating to trade and development. These included the following: organization of meetings between ECDC participants to review, reappraise and share experiences (such as the United Nations Chitose Forum on South-South Cooperation with Particular Reference to Asia and the Pacific, organized jointly by UNCTAD and the United Nations University, and held from 11 to 15 May 1992 in Japan); advisory assistance to ECOWAS and PTA in formulating or revising their integration treaties; assistance to SICA in establishing this new institutional

arrangement; undertaking of activities relating to the strengthening of trade expansion activities in ECCAS, ECOWAS, GCC and PTA, including studies on aspects of trade liberalization programmes such as rules of origin, a compensation fund for budgetary losses arising from participation in trade liberalization, and common external tariff and customs cooperation including simplification and harmonization of customs documents and procedures; and improving of their cooperation in the financial sphere, especially regarding the improvement of clearing facilities. In sectors other than trade, the relevant specialized organizations, such as FAO, UNESCO and UNIDO, have supported various activities of regional/subregional groupings falling within their respective spheres of competence.

X. SOUTH-SOUTH COOPERATION AND ORGANIZATION AT THE GLOBAL LEVEL

South Commission recommendations

The proposal to establish the South secretariat requires immediate action. We believe that the secretariat could act as a vital pillar of the South's efforts to expand cooperation within the South and to secure a fairer system of global relationships through negotiations with the North. The participation of heads of State or Government in regular institutionalized consultations is a very important step towards the South's improved organization.

Implementation

59. Since the publication of the report of the South Commission, considerable efforts and resources have been devoted to developing better organization and coordination of the South at the global level. The Group of 77 has been improving its working methods. NAM has also taken steps to improve its methods of work and activities, so as to increase its effectiveness and improve continuity in the periods between its summits. This point is illustrated in the Economic Agenda for Priority Action, 1992-1995, of the Non-Aligned Movement (see annex), elaborated by Indonesia, as Chair-country of NAM, for the follow-up work to the Tenth NAM Summit, held in Jakarta.

60. In addition, two notable new initiatives have been undertaken to improve South cooperation at the global level. One was the establishment in late 1989 of the Summit-Level Group for South-South Consultation and Cooperation, or the Group of 15. The Group of 15 is now fully operational and holds regular annual summits. Three such summits have been held so far and the fourth is scheduled for November 1993 in New Delhi. In its work, the Group of 15 is supported by a small secretariat, namely its Technical Support Facility. The Group of 15 relies on a number of mechanisms for consultations, including expert meetings in the period between annual summits. The Group of 15 deals with North-South issues and also with South-South cooperation with the emphasis on interregional and Southwide activities and programmes.

61. The Group of 15 is committed, inter alia, to strengthening South-South cooperation in the fields of production and trade, communications and transport,

exchange of information and knowledge, cultural exchanges and tourism. It has established the South Investment, Trade and Technology Data Exchange Centre (SITTDEC), which is already operational and open to all developing countries. It has also launched a number of activities relating, inter alia, to population, food production, human resource development, gene banks, renewable energy (particularly solar energy), geological and mineral research, and petroleum, gas and petrochemical development. These projects are open to all developing countries.

62. The second new initiative of importance for South-South cooperation is the South Centre which was established by the South Commission at its last meeting in October 1990 as its two-year follow-up mechanism. During the subsequent two-year period, the South Centre followed the lines charted by the South Commission and, working in an intellectually independent manner, has further developed as an analytical and networking mechanism for the South as a whole at the global level. The South Centre's primary task was to diffuse the report of the South Commission in order to promote its recommendations. To achieve this aim the South Centre encouraged the report's translation, printing and distribution in various languages (11 versions have been published and 9 are under preparation). In addition, the South Centre also published Facing the Challenge, 23/ which contained a number of international commentaries on the Commission's report. The South Centre also produces on a quarterly basis the South Letter, a newsletter that reviews and reports on issues and events of interest to the South and of relevance to South-South cooperation. The South Centre has also organized several working groups that resulted in analytical and policy-oriented publications and documents that were used, inter alia, by the Group of 77 and NAM. These documents were also aimed at raising awareness and influencing opinion more generally in the South.

63. Based on responses to the South Centre's initial work and expressions concerning the Centre's usefulness for South-South cooperation, a decision has been taken to establish the Centre on a permanent basis as from 1 January 1994. The work of both the South Centre and of the Technical Support Facility of the Group of 15 has been greatly facilitated by their being able to draw on the United Nations family of organizations, which have provided advice, experts, data and other assistance when requested.

Notes

1/ The South Commission was established in July 1987 with a membership composed of distinguished individuals from the South. It released its report, entitled The Challenge to the South: the Report of the South Commission (Oxford, Oxford University Press, 1990), on 3 August 1990 in Caracas (Venezuela).

2/ The Challenge to the South: the Report of the South Commission, pp. 206-210.

3/ UNDP also provides direct support to South-South cooperation through its Special Unit for Technical Cooperation among Developing Countries (TCDC). For an appraisal of the TCDC aspect of the report of the South Commission, see the UNDP report entitled "Consideration of reports by the Administrator of the

United Nations Development Programme" (TCDC/8/3), presented to the High-level Committee on the Review of Technical Cooperation among Developing Countries at its eighth session, held in New York from 25 to 28 May 1993.

4/ There are indications of greater sympathy and support on the part of the developed countries for South-South cooperation. This represents an important policy development, reinforcing the recommendations of the report of the South Commission.

5/ See the joint communiqué of the third meeting of the Summit-Level Group for South-South Consultation and Cooperation (Group of 15), paras. 65 and 68.

6/ Report of the United Nations Conference on Trade and Development on its Eighth Session (TD/364), part one, sect. A.

7/ See the joint communiqué of the third meeting of the Summit-Level Group for South-South Consultation and Cooperation (Group of 15), para. 56.

8/ Ibid., para. 61.

9/ For example, the Ministers of Foreign Affairs of the Group of 77, at their Sixteenth Annual General Meeting, held in New York on 1 October 1992, inter alia, reaffirmed the importance of the GSTP; called upon interested members of the Group of 77 to participate in the Second Round of GSTP Negotiations and in the work of the Negotiating Committee; and endorsed the Tehran Declaration's request for the Pérez-Guerrero Trust Fund, UNCTAD and UNDP and other intergovernmental organizations to provide financial and other support for the conduct of the Second Round and the implementation of its results (Declaration of the Ministers of Foreign Affairs of the Group of 77, para. 55). Similarly, the Chair-country of NAM, in its proposed three-year economic programme, endorsed the strengthening of the GSTP (see annex, paras. 7 (f) and (g)) and the third Summit of the Group of 15 welcomed the launching of the second round of GSTP negotiations (see joint communiqué of the third meeting of the Summit-Level Group for South-South Consultation and Cooperation (Group of 15), para. 51).

10/ Air Afrique, in turn, has contributed to the capital of Air Senegal, Air Ivoire and Air Burkina Faso.

11/ UNDP has itself provided financial support to activities that address problems of privatization and enhance cooperation among business institutions of the South such as an interregional workshop organized by private sector institutions to share experiences on technology parks and business incubators, and a capacities- and needs-matching exercise that brought together small- and medium-scale enterprises from developing countries.

12/ Examples of such activities are reflected in the following: experts are provided by companies in developing countries who are then employed by UNIDO in other developing countries under self-trust fund projects; the Government of the Republic of Korea has established a trust fund with UNIDO to support projects that promote cooperation between companies in the Republic of Korea and other developing countries; and UNIDO has set up a Centre for International

Industrial Cooperation in Beijing that promotes cooperation between Chinese and foreign enterprises, including those from other developing countries. An expert from the Republic of Korea is assigned to the Centre for the purpose of promoting such cooperation. Similarly, UNIDO also has an Investment Promotion Service in Seoul that promotes joint ventures between enterprises in the host country and other developing countries.

13/ Such FAO assistance is sometimes assumed jointly with other organizations of the United Nations system. For example, ESCWA and FAO have cooperated in enhancing food security in the ESCWA region by stimulating economic and technical cooperation at the regional and subregional levels, as well as by strengthening the capabilities of ESCWA member countries in the formulation and implementation of comprehensive food sector plans and strategies through research, studies and training.

14/ See the joint communiqué of the third meeting of the Summit-Level Group for South-South Consultation and Cooperation (Group of 15), paras. 66 and 67.

15/ Ibid., paras. 57 and 58.

16/ Moreover, UNESCO's regional unit for the Arab States has been supporting efforts aimed at enhancing basic sciences through methodological innovations in the learning-teaching process in the areas of physics, chemistry, biology, ecology life sciences, earth sciences, and geology and soil sciences, and their integration with mathematics and health sciences for tropical geographical regions, as within the Gulf University (Faculty of Medicine) in Bahrain.

17/ The treaty establishing this Community has not yet entered into force, as it has not been ratified by the required minimum number of signatory States. As of May 1993, the treaty was ratified by 23 of the signatory States.

18/ South-South cooperation is particularly important to the development of Africa. Most African countries are of uneconomic size, their production systems are not viable, and their capital accumulation is insufficient; there is a mismatch between consumption and production patterns, and Africa's internal economic crisis and external indebtedness have been deepening. Regional cooperation and integration are an absolute necessity for Africa's development. Through South-South cooperation, Africa can widen its internal markets and transform them into a viable economic space benefiting from economies of scale and secure opportunities for a better exploitation of existing and potential natural, human, financial, technological and other resources, thus increasing intra-African trade, diversifying the coverage of such trade and integrating African economies into the world economy.

19/ ECO presently comprises 10 countries: Iran (Islamic Republic of), Pakistan and Turkey (original members); and Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

20/ In this direction, ECO is collaborating with UNCTAD to launch a comprehensive project involving studies and seminars on trade, transport and

communication, human resources development, transit agreements, joint ventures and other related activities.

21/ In addition, ECA prepared projects for the integrated development of the Kagera basin, and the Gambia, Senegal and Niger rivers, as well as Lake Chad. The projects accentuated the importance of water management and irrigation, hydropower generation and electric grid interconnection, the development of fisheries, and river and lake transport. UNDP approved the projects for the development of Senegal River, Lake Chad and the Kagera basin for a total amount of US$ 6 million.

22/ Other United Nations bodies such as UNCTAD, UNESCO, FAO and the International Labour Organisation (ILO), at the invitation of OAU, also participated in the meetings of experts on the drafting of the Treaty establishing the African Economic Community. Those bodies are continuing to render advisory assistance to the joint ECA/OAU/African Development Bank secretariats in the drafting of the technical protocols to be attached to the Treaty.

23/ London and New Jersey (United States of America), Zed Books, 1993.

Annex

ECONOMIC AGENDA FOR PRIORITY ACTION, 1992-1995,
OF THE NON-ALIGNED MOVEMENT*

I. External debt, food security and population

1. On the basis of the resolutions on debt and food security and the decision on population taken by the Summit Meeting, the following measures on the three issues will be taken.

A. External debt

2. To reinforce the efforts of the developing countries to resolve their debt problem, a consultative process at a high intergovernmental level will be carried out, which will give priority to, inter alia, the following:

(a) Facilitating the cancellation of the debt of the least developed countries;

(b) Resolving the problem of the debt burden of other developing countries (including those that have made great efforts to meet their debt obligations) in a manner that facilitates their recovery, growth and development;

(c) Recycling part of the debt for financing economic and social projects;

(d) Encouraging other actions to reinforce South-South cooperation to reduce the burden of debt-servicing;

(e) Devising a coordinated tripartite approach, involving developing country debtors, developed creditor countries and financial institutions, to resolve the debt problem.

3. To assist the consultative process at a high intergovernmental level in its deliberations, an ad hoc advisory group of experts will be established to study in depth all relevant aspects of the debt problem and to recommend policy guidelines.

B. Food security

4. In order to deal effectively with the pressing issue of food security, a Conference of Ministers of Food and Agriculture will be convened to formulate policy guidelines with respect to, inter alia, the following:

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* Economic plan submitted by the President of Indonesia, Chairman of the Non-Aligned Movement, to the heads of State and Government of the Movement following their Tenth Summit in Jakarta, Indonesia, held from 1 to 6 September 1992 (Source: South Letter, No. 15 (autumn 1992), pp. 15-18).

(a) Ways and means of reducing poverty and enhancing food security and self-sufficiency in developing countries by raising the productivity of agricultural producers, particularly of smallholders and women farmers;

(b) Ways and means of establishing meaningful South-South technical cooperation schemes to exchange information and experience between developing countries, with specific reference to joint food production ventures, and cooperative schemes for the production of fertilizers, farm implements, and other agricultural inputs;

(c) Ways and means of strengthening cooperation among developing countries in the area of agricultural research, and to consider the best ways to encourage international research institutions to give more emphasis to research on food staples of primary interest to developing countries;

(d) Ways and means of increasing cooperation among food exporting and importing countries through, inter alia, the management of buffer stocks to prevent shortages of essential food products;

(e) Ways and means of supporting special programmes of action to increase food production in Africa by the international development agencies including the International Fund for Agricultural Development (IFAD) Special Programme for Africa, Phase II;

(f) Taking of major steps to establish schemes to provide substantial food aid to relieve critical shortages such as occur in certain parts of Africa from time to time, and seeking of the support and cooperation of developed countries and international organizations, such as FAO, UNDP and WFP, in the establishment and operation of such schemes.

5. To assist the Conference of Ministers in its deliberations, an ad hoc advisory group of experts will be established to study in depth all relevant aspects of the food security problem in developing countries, and to make policy recommendations and detailed proposals for action.

C. Population

6. In view of the importance and urgency of the population question, a ministerial-level meeting will be held to consider the following:

(a) The intensification of the exchange of information regarding member countries' experience with population policies and family planning programmes;

(b) The organization of South-South technical cooperation and assistance schemes with respect to education and awareness-raising activities, safe motherhood, and family planning programmes;

(c) The establishment of joint and cooperative schemes for the production of medical supplies required for family planning programmes;

(d) The initiation of an appropriate consultative process in order to formulate guidelines for preparations by member countries for the International Conference on Population and Development to be held in Cairo in September 1994.

II. Other areas for action

7. The Summit Meeting drew attention to a number of other important economic issues to which the Non-Aligned Movement should address itself. In order to facilitate this process, various actions may be taken, including the setting up of task forces and the convening of advisory groups of experts to undertake in-depth studies and to make recommendations and proposals for action. The key issues to be taken up are as follows:

A. Commodities

(a) Encouraging the revival of international commodity agreements for such commodities as coffee, cocoa and sugar, and the negotiation of new agreements for other commodities;

(b) Promoting joint schemes for supply management of commodities exported by developing countries;

(c) Encouraging implementation of the Integrated Programme for Commodities and the utilization of the Common Fund's commodity price support facility, as well as mutual cooperation and other measures to establish schemes to improve and transform commodity-producing sectors;

B. The Uruguay Round of multilateral trade negotiations

(d) Assessing the likely outcome of the Uruguay Round from the perspective of the developing countries;

(e) Exploring the practical modalities for formulating appropriate negotiating positions, and for coordinating their approach, taking into account growing protectionism in the industrialized countries;

C. South-South trade promotion

(f) Strengthening the Global System of Trade Preferences (GSTP) and encouraging developing countries that have not as yet joined to do so as soon as possible;

(g) Encouraging South-South trade relations at the subregional, regional and interregional levels, through such measures as trade promotion and financing arrangements;

D. Resource flows, development finance and international liquidity

(h) Assessing the external resource requirements of developing countries, with a view to proposing ways in which resource flows could be increased and negative flows reversed;

(i) Undertaking joint efforts to mobilize external resources, particularly in the light of the undertakings on resources transfers made by the industrialized countries at the recent United Nations Conference on Environment and Development;

(j) Assessing the feasibility of the setting up of the African Diversification Fund for assisting the restructuring and diversification of African economies;

(k) Pressing the urgency of bringing about an increase in the capital base and the required replenishment of funds of the international financial institutions;

(l) Pressing the urgency of new allocation of Special Drawing Rights (SDRs) for the benefit of developing countries;

E. Environment and development

(m) Assessing developments following the United Nations Conference on Environment and Development, with a view to assisting non-aligned and other developing countries to undertake follow-up measures, including their participation in the high-level Commission on Sustainable Development;

(n) Assessing the transfer of environmentally sound technologies and the ways and means of obtaining them on preferential and concessional terms;

(o) Promoting South-South cooperation, including the provision of technical assistance and transfer of technology in order to improve domestic capacities for dealing with environmental problems;

(p) Adopting an international convention on desertification before June 1994;

F. Conditionalities

(q) Assessing the situation with respect to the scope, nature, efficiency and impact of conditionalities that are linked to development cooperation or foreign assistance and applied to developing countries in a widening range of critical policy areas, with a view to reducing the unilateral imposition of conditionalities;

G. Science and technology

(r) Encouraging the promotion of South-South cooperation to enhance national scientific and technological capabilities;

(s) Improving the access of developing countries to science and technology.

H. Reform of the United Nations

8. In the context of the Summit decision on the establishment of a High-level Working Group of NAM for the Restructuring of the United Nations, steps will be initiated to work towards:

(a) Strengthening of the United Nations in the economic and social fields;

(b) Bringing about a greater degree of democracy in the decision-making processes and management of the multilateral financial institutions.

III. Strengthening international cooperation and developing support mechanisms

A. Strengthening of international cooperation

9. The decision on the strengthening of international cooperation taken by the Summit Meeting provides the Chairman with the necessary flexibility to:

(a) Assess the possibility of convening a special meeting of heads of State or Government of the Non-Aligned Movement devoted to economic and social development and international cooperation, after undertaking the necessary consultations;

(b) Convene at the earliest possible date the Meeting of the Standing Ministerial Committee for Economic Cooperation, which was established to relaunch the North-South dialogue and strengthen South-South cooperation;

(c) Establish on an ad hoc basis an advisory group of eminent experts on development issues, in order to recommend practical solutions and new orientations in the economic and social fields.

B. Developing support mechanisms

10. In order to facilitate joint actions and coordinate the position of member States on important economic issues, steps will be taken to develop support mechanisms. In addition to convening advisory groups of experts for the issues raised above, and for other matters as required, steps may be taken to develop support mechanisms to assist in:

(a) Preparing the negotiating platforms of member countries for forthcoming United Nations or other major international conferences on economic and social issues;

(b) Undertaking follow-up measures by member countries following agreements and commitments reached at major negotiating conferences;

(c) Implementing the economic decisions of the Non-Aligned Movement in the interim period between summit meetings;

(d) Providing expert advice on request to developing countries engaged in negotiations on structural adjustments conditionality, debt relief and other key issues.